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The Voice of the Industrial Base

April 2, 2003

The Honorable E. C. Aldridge, Jr.
Under Secretary of Defense (Acquisition,
Technology & Logistics)
3010 Defense Pentagon
Washington, DC 20301-3010

Dear Secretary Aldridge: */Sin*

Members of the National Defense Industrial Association (NDIA) have recently encountered problems with conflicting directions from various Department of Defense (DOD) components. In this period of otherwise rapid regulatory transformation, some DOD components are instead writing conflicting or contradictory contractual requirements, conducting duplicative management systems reviews, and executing unique, system surveillance oversight activities rather than the DOD vision of system insight into industry-owned program management earned value management systems. The proliferation of independent approaches runs directly counter to your stated goal of achieving effectiveness in acquisition and logistics processes, and to streamlining the ability of industry to respond rapidly to the needs of our nation's war fighters. It also threatens to unravel all the many program management improvements made through joint DOD/industry efforts throughout the 1990's. We believe the problem may be the result of decreased resources allocated within DOD for a coordinated approach to overseeing earned value management activities and for supporting the Defense Contract Management Agency (DCMA) in its role as OSD Executive Agent for earned value matters.

NDIA is a non-partisan, non-profit organization with a membership that includes over 1,000 companies and more than 26,000 individuals. NDIA has a specific interest in government policies and practices concerning the government's acquisition of goods and services, including research and development, procurement, and logistics support. Our members, who provide a wide array of goods and services to the government, include some of the nation's largest defense contractors.

If the present trend continues, we fear a return to the chaotic acquisition atmosphere of 30 years ago, when independent approaches abounded and management systems reviews were long, tedious, inconsistent, and very expensive ventures. The designation some years ago of DCMA as Executive Agent for OSD in earned value-related matters and the establishment of the Earned Value Center of Excellence were giant steps in the direction of providing consistency in interpretation and implementation. Unfortunately, support within DCMA for earned value seems to have waned, as its experience base and resources have eroded. As you know, the Center of Excellence office on the West Coast was recently closed, and only a fraction of the remaining

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resources were relocated to Washington, DC. Declining resources have even affected DCMA's ability to participate on a timely basis in the certification of company earned value systems.

Other examples of the erosion of DCMA resources and the problems that have resulted were described to you in an August 6, 2002, letter signed jointly by NDIA and the Government Electronics and Information Technology Association. This letter, which concerned Architecture Development, Systems Engineering, and Software Engineering, detailed industry concerns about "returning current DCMA activities to the individual services" and requested a point of contact from your office.

Until recently, problems of conflicting contractual requirements and duplicative systems reviews were resolved under the auspices of the Integrated Program Management Initiative-Executive Steering Group (IPMI-ESG), chaired by your Acquisition Resources and Analysis Office. Unfortunately, this forum no longer exists.

We request that OSD renew avenues of communication and problem resolution processes by re-establishing a senior-level steering forum (like the IPMI-ESG) under OSD leadership. This forum should be empowered to address conflicting directions from DOD components, and could work with the NDIA Program Management Systems Committee to address and resolve issues.

NDIA stands ready to assist you in achieving the vision of evolutionary acquisition you so ably articulated when you first took office. Please do not hesitate to contact me where the NDIA can be of assistance.

Sincerely, *& Respectfully*



Lawrence P. Farrell, Jr., Lt. Gen. USAF (ret.)
President and CEO
National Defense Industrial Association

cc: BGEN Edward Harrington, USA
Director, DCMA